Nomination for W. Edwards Deming Training Award

U.S. Environmental Protection Agency - Office of Acquisition Management Nominee's Mission - provide contracting/acquisition services to the Agency

One Page Summary

From 2001-2005, the U.S. Environmental Protection Agency's (EPA's) Office of Acquisition Management (OAM) trained and developed its employees, transforming itself from a Federal acquisition shop whose primary focus was on meeting its customers' immediate workload needs, to a high performing organization capable of dealing with all changes in the dynamic world of Government acquisition, while closely partnering with its customers and significantly strengthening its links to the Agency's mission of making the world a safer place in which to live. As a result of this transformation, tremendous growth in OAM employee satisfaction and customer satisfaction have occurred, proven by surveys conducted by outside parties. Additionally, OAM has also enabled EPA to assume a leadership role in developing and implementing several potentially Government-wide "green" procurement initiatives.

In 2001, new OAM senior management decided that the organization needed to deal more decisively with change. Wide-sweeping reforms in Federal acquisition, including the advent of streamlined purchasing vehicles such as Government-Wide Acquisition Contracts (GWACS), expanded Federal Supply Schedule (FSS) capabilities, and the purchase card program, made it necessary for OAM to re-think its position within EPA, as they were no longer the "only game in town" for program customers to use to obtain goods and services. OAM was losing some of its business to these new acquisition vehicles. This, added to an aging OAM workforce, and shrinking budget and FTE resources over the past decade, led to low morale among OAM employees. To deal with the new environment, a decision was reached was to train, develop, and energize OAM's workforce, to allow it to effectively cope with change.

In the short term, OAM's employees had to undergo a transformation to allow them to start thinking strategically. Once this occurred, solutions could be developed for dealing with low employee morale, succession planning, strengthening communications among employees, working smarter with budgeted resources, enhancing internal and external corporate images, getting back the business OAM had lost, and dealing effectively and pro-actively with change.

Through hard work and calculated risk-taking, OAM looked within themselves, engaged outside help where needed, re-defined their organization's mission, developed and established an Office-wide vision and strategic goals, empowered their workforce, streamlined business processes, developed measures to gauge their performance, and formalized a training program for its employees, in both technical/contracting and life skills.

The results of these efforts have included: (1) a significant growth in employee satisfaction per an organizational assessment; (2) a similar growth in customer satisfaction, per a customer survey; (3) the return to OAM of business that the organization had previously lost; (4) a significantly better trained workforce; and (5) widespread recognition of OAM (by EPA's OIG, among other sources), as a high performing organization.

Nomination Form

All entries must be typewritten and may not exceed 16 pages (including your one-page summary) on 8 1/2 x 11-inch paper. All entries must be accompanied by this form and a one-page summary of the training initiative nominated.

| Part I: Nominee Information | | |
|---|---|---------------|
| Office of Acquisition Management, U.S. Environmental Protection Agency | | |
| Organization Nominated (Provide the organization's nam | e as it should be engraved on the award, if selected) | |
| 1300 Pennsylvania Avenue, NW, Mail Code | 3801R | |
| Mailing Address of Above | | |
| | | |
| Washington | · DC | 20460 |
| City | State | Zip |
| 202 564-4310 | 202 565-2473 | |
| Telephone | Fax | |
| Part II: Time Frame Nominated projects must have been comple | ted within three years prior to the nominat | ion deadline. |
| Starting Date of Training Initiative | 10/10/01 | _ |
| Ending Date of Training Initiative | 09/30/2005 | |
| Part III: Nominee Mission | 4, | |
| Briefly state the overall mission of the organ Provide contracting/acquisition ser | | |
| | | |

Part IV: Description of Training Initiative and Impact on the Organization's Performance See Attached 15 pages

- 1. Describe the purpose or desired outcome of the training initiative. What aspect of the organization's organizational performance was the training intended to correct or improve?
- 2. Describe how and why it was determined that employee training and development would resolve the performance deficiency.
- 3. Include information on the individuals, teams or organizations that received the training and on the training design process. Show how the training effort was linked to the organization's accomplishment of its mission.
- 4. Provide a timeline of the program's primary activities.
- 5. Clearly explain how the training program had a positive impact on the achievement of one or more organizational goals. Identify the objective or tangible results of the training, and how they improved the organization's performance.

Part V: Nominator Information and Signature Judy S. Davis, Director, OAM Name and Title of Contact Person Familiar with this Submission USEPA/OARM/OAM Organization 1300 Pennsylvania Avenue, NW Mailing Address Mail Code 3801R Washington DC 20460 City State Zip Code 564-4310 202 565-2473 Davis.Judy@epa.gov Telephone Fax E-mail Signatur

Deming Award Selection Board c/o Communications Office Graduate School, USDA 600 Maryland Avenue SW Suite 270 Washington, DC 20024 (202) 314-3686

All nominations must be typewritten and may not exceed 16 pages on 8 1/2 x 11-inch paper.

Submit the 16-page package, including one page summary and this form, to:

Please send confirmation to Oliver. john@epa.gov

All nominations must be received by 5:00 p.m. EST on May 18, 2006. All nominations become the property of the Graduate School, USDA and will not be returned.

Nomination for W. Edwards Deming Training Award

U.S. Environmental Protection Agency - Office of Acquisition Management

Part IV. Description of Training Initiative and Impact on the Organization's Performance

1. Describe the purpose or desired outcome of the training initiative. What aspect of the organization's organizational performance was the training intended to correct or improve?

This story begins in early FY 2001, several months after new senior level management had taken over EPA's Office of Acquisition Management (OAM). During these past few months, the new managers assessed their organization, and reached the following conclusions:

OAM, for the most part, fit the mold of most Federal acquisition shops - its employees were doing a competent job of meeting their customers' (EPA program offices) immediate needs, in terms of purchasing the goods and services to allow them to accomplish their mission. However, it was obvious that something was lacking. Employee morale seemed low. The turnover rate was up from previous years. The OAM workforce was aging, and there wasn't any sort of a strategic plan in place to replace the more experienced, higher graded workers who would be retiring shortly.

Additionally, while the contracting workload, from a standpoint of dollars obligated, had remained fairly steady over the past 6-7 years, the nature of Federal contracting had gotten more complex, due to a multitude of Federal Acquisition Regulation (FAR) changes and other statutory/regulatory mandates. OAM's budgeted dollars and human resources (full-time equivalents or FTEs), on the other hand, had been steadily shrinking over this time frame, and would continue to do so for at least another 5-6 years (see Exhibit 1 for Historical Comparison of OAM FTEs versus Contract Dollars Obligated). There appeared to be no strategic plan on the horizon for how OAM would continue to perform at a high enough level to satisfy its customers in the face of this growing disparity between workload and available resources. OAM had to learn to work smarter.

Another area that appeared to need strengthening was OAM's corporate image within the Agency. Providing internal Agency support (functions such as human resources/personnel, information technology (IT) support, contracting, and other similar activities) always faces tough challenges when it comes to satisfying customers. These kinds of activities, which provide valuable infrastructure support, are sometimes viewed as stumbling blocks or impediments to getting the "real work" done. (In the case of EPA, this "real work" is, of course, protecting the environment.) As acquisition is an activity that involves a multitude of rules and regulations, OAM needed to remove as much "red tape" as possible to help its customers obtain their goods and services as painlessly as possible. Clearly, streamlining some of its businesses processes and procedures, and improving communications with customers would greatly help in this area.

Additionally, OAM's corporate self-image was hampered by the tendency of divisions and service centers to be somewhat "stove-piped," concerned primarily with their own workload and their own customers. As a result, there wasn't a real sense of Office-wide OAM identity or ownership.

Lastly, OAM was losing some of its customers' business. Wide-sweeping reforms in Federal acquisition, including the advent of streamlined purchasing vehicles such as Government-Wide Acquisition Contracts (GWACS), expanded Federal Supply Schedule (FSS) capabilities, and the purchase card program, made it necessary for OAM to re-think its position within EPA, as they were no longer the "only game in town" for program customers to use to obtain goods and services. Some of OAM's customers, notably those who support information technology (IT) for the Agency, started using some of the new acquisition vehicles. Clearly, OAM had to undergo a radical culture change in order to keep more of its customers from similarly bailing out. They needed to learn to give their customers something extra - more value added. They needed to provide business leadership to their customers.

The challenges faced by OAM were clear. The organization somehow had to position itself to be able to deal with the future. The only known variable about the future is that changes will occur. OAM had to learn how to manage and deal with change.

In the short term, OAM's employees had to undergo a transformation through training and development in order to allow them to start thinking strategically. Once this occurred, solutions could be developed for dealing with low employee morale, succession planning, strengthening communications among employees, working smarter with budgeted resources, developing internal and external corporate images, getting back the business OAM had lost, and dealing effectively and pro-actively with change.

2. Describe how and why it was determined that employee training and development would resolve the performance deficiency.

To a very large extent, the performance deficiencies noted within OAM were due to circumstances that were clearly beyond the organization's control (aging of employees, diminishing resources, radical changes within the Government-wide acquisition community). What OAM could control, however, is the extent to which its employees were educated and trained to deal with such circumstances. They could also control factors such as customers' perceptions of the service they provide. OAM's parent organization, the Office of Administration and Resources Management (OARM), had conducted customer service surveys in previous years. OAM could certainly take steps to ensure that their customers' needs were being met in a more effective manner, which would likely influence their corporate image within the Agency, and be reflected in the next customer survey.

Additionally, OAM had at its disposal a ton of guidance that had been developed in recent years that could be used to train its employees in outcome-based performance. Examples include: Malcolm Baldridge's high performing organization theories; the Balanced Scorecard assessment program; the President's Management Agenda; the Federal Managers' Financial Integrity Act; and the Government Performance and Results Act. What OAM planned to do was to utilize aspects from these various sources, and start by re-defining (and updating) their mission.

3. Include information on the individuals, teams or organizations that received the training and on the training design process. Show how the training effort was linked to the organization's accomplishment of its mission.

The development/training/transformation process, which started in early FY 2001, affected the entire Office of Acquisition Management, about 300 employees. The process itself consisted of a series of planned steps, the major ones listed below. Please note: The key to the training design process that OAM used was, and continues to be, active participation by all employees, which has engendered collaborative teamwork, and a feeling of ownership at the corporate organization level.

- Re-defining the Mission and Establishing a Vision - The very first steps were for OAM senior management to recognize that the problems existed, and make a commitment to do something about them. Admitting and setting aside turf-battles and mistrust, managers and supervisors set about to begin to function as a team. Recognizing a need for a common mission and purpose, the management team drafted an organizational vision statement. The result was a new Office "Vision, Values, and Strategic Goals" statement (Exhibit 2).

The Vision, that EPA contracting offices be the preferred business management partners for the Agency, radically re-defined how OAM viewed itself. As stated above, EPA programs no longer had to come to OAM to obtain their needed goods and services. The Vision acknowledged that OAM was no longer the only acquisition alternative, and that they needed to be seen as adding real value to the procurement process in order to keep their business.

OAM next took steps to train more than just managers in establishing the Mission/Vision. While the managers suggested three strategic goals (see Exhibit 2), work groups represented by all OAM divisions were created to discuss the goals and develop ideas and implementation plans for how to accomplish them, and measure progress toward achieving them. Staff levels created ideas and trained their peers in implementation. The strategic goals and means for accomplishing them were incorporated into OAM employees' performance agreements. From these work groups and efforts came a growing sense of teamwork and ownership of OAM's problems and their solutions.

- <u>Corporate Image</u> - OAM managers acknowledged (and OAM employees agreed) that the organization's corporate image needed improvement. To this end, they established the second Strategic Goal, "Enhancing our corporate image." Establishing this goal raised the consciousness of all employees that the organization had an identity larger than just the individual employee or individual Division/Service Center/Team, etc.. This growing sense of "we" fostered an environment that valued teamwork and helped to break down barriers between groups. Additionally, OAM senior management adopted a "corporate board" approach to leadership, an approach which forced individual managers to think, not about their specific Division or Service Center, but about OAM as a corporate whole.

A number of training initiatives were developed and implemented to help achieve this strategic goal, including regular meetings between customers and all levels of OAM management, assorted means for measuring customer satisfaction (including, as mentioned above, the use of OARM's customer satisfaction survey), and an OAM newsletter ("Buy Lines").

- Empowering Employees - An OAM work group's 2001 review and report on the entire acquisition process disclosed that employees believed they could improve the way they did business if they were empowered with more authority and responsibility in their dealings with customers. Subsequently, a significant number of acquisition processes and procedures were identified where it would be possible and feasible to lower the levels of review and approval, and the levels were reduced. The revised approval levels streamlined the acquisition process considerably by reducing the number of reviews and approvals prior to making contract awards. Another key benefit of doing this was freeing up managers' time, to allow them to concentrate on strategic thinking and improving internal controls. Please note that OAM employees were not just handed new authority by management; they had met their training challenges, and had assisted in developing new tools to help them succeed in the empowered environment.

Another important empowerment initiative undertaken was the establishment of Quality Assurance Plans (QAPs) in 2002 by OAM's operations divisions. Prior to the establishment of the QAPs, internal oversight of the contracting operations was accomplished through transaction testing-based audits performed by OAM's Policy, Training & Oversight Division (PTOD). The QAPs place the accountability for quality control and oversight squarely in the laps of the responsible operations divisions themselves. Divisions had to learn how to be self-auditing. These empowerment initiatives, based on calculated risk-taking and trust, have contributed greatly to improving the quality of work products, as well as morale within OAM.

- <u>Forum for Voicing Concerns/Diversity Action Plan</u> - One very effective way of dealing with the problem of low morale within OAM was developing initiatives to address long-standing undercurrents of employee perceptions and mistrust. A diversity work group was created to deal with unexpressed feelings among the OAM staff. Providing a forum for airing these issues

openly was crucial. Strategies were developed to address the issues, resulting in a Diversity Action Plan in 2003, that requires management to report periodically on a variety of issues and statistics. Employees learned from management that many perceptions were not reality, and management learned from employees how critical open communications are to creating a trusting environment.

- <u>Formal Training Program</u> - OAM's first Strategic Goal, "Investing in our people," is perhaps the most crucial element needed to put the culture change in effect and transform the organization. While OAM invested a significant amount of money in providing technical contracting training to its employees prior to 2001, no thought had been given to provide "life skills" training - which, in many ways, is perhaps more important when it comes to dealing with customers. For example, taking a course in learning how to be a good listener, might be equally valuable in interacting with a customer as a technical contracting course, especially if you're having communications problems or issues with your customer. With this in mind, OAM mandated life skills training for all levels to develop well-rounded professionals.

Other initiatives under the training umbrella included: providing executive coaching to OAM Division Directors, which assisted them in strategic thinking and planning; sharing of best practices and lessons learned at OAM and Division-level staff meetings; training seminars for managers, that dealt with subjects such as how to handle problem employees, or anger management; organizational development exercises to encourage and engender team-building; encouraging the use of Individual Development Plans (IDPs); and mini-sessions given by OAM managers on a variety of technical contracting issues.

Another invaluable developmental tool that OAM has used is details and rotational assignments. During FY 2002 alone, approximately 30% of OAM's employees worked on details or rotational assignments. Since that peak year, approximately 15-20% of OAM employees per year have had these opportunities. These assignments have included exchanges of employees among OAM divisions, assignments to EPA programs or other Government agencies, and temporary promotion opportunities to allow non-supervisors the chance to learn how to lead others. These latter opportunities have involved all levels of management, including Service Center Managers, Division Directors, and the Deputy Office Director's position.

Additionally, OAM has established several formal rotational programs, one among OAM divisions, and one with EPA's Office of Small & Disadvantaged Business Utilization (OSDBU) to ensure that its COs and procurement analysts receive a wide scope of training in EPA contracting activities. OAM also recently implemented an internal development program for GS-7 through 11 employees in the 1102 contract specialist series, which allows these trainees to do developmental rotational assignments in various OAM divisions. OAM believes these training initiatives have been instrumental in improving employee morale, cutting down on employee turnover, and developing well-rounded contract professionals.

- Recruitment and Retention To ensure that OAM's aging staff is replaced as its more experienced employees retire, a great deal of effort has gone into both recruiting highly educated and qualified individuals, and retaining them as employees. The organization has participated in an 1102 (contract specialist) internship program with the Department of Interior (DOI) since 2001, which has resulted in 6-7 new hires. OAM also created a Recruitment Team to deal with recruitment issues. Their first project was to begin aggressive recruitment efforts with local colleges and universities, with a special emphasis on historically Black educational institutions. OAM has also used the Outstanding Scholar Program to hire a number of employees over the past 4-5 years. Additionally, OAM has given training to its managers in how to recruit, interview and select candidates, with a special emphasis on candidates' personalities and attitudes, as well as technical skills.
- <u>Awards Program</u> In FY 2002, OAM modified its employee awards program, aligning awards with the organization's strategic goals. All award narrative writeups need to show a linkage to OAM's strategic goals. OAM Director's annual awards were also established, proposed by staff levels and workgroups, and voted on by the OAM Corporate Board, for extraordinary achievements in the areas of risk taking, creativity in improving business processes, and on specific strategic goals. Director's Award winners have come from all OAM organizations, and all levels of experience and grade levels. This is yet another initiative where all OAM employees feel they share in ownership at the corporate level.
- Improving Business Processes As a result of the empowerment efforts, many of OAM's business processes had been streamlined and shortened. This freed up time to allow managers and employees to come up with creative ways to improve how OAM did business. One example was using less resources for oversight over the contracting operations, which meant that OAM could concentrate on other, potentially vulnerable areas, such as the use of the Agency's purchase card. Starting in FY 2002, OAM started doing detailed oversight reviews of purchase card usage, coordinating the reviews closely with EPA's Office of Inspector General (OIG). As a result of these reviews, vulnerabilities were discovered early and corrected. Shortly after OAM's efforts in this area, news stories about purchase card fraud and abuse found in other agencies surfaced. OAM and EPA had pro-actively dealt with this problem area before it had the chance to become a bigger issue. As a result, EPA is now widely credited with having one of the very best purchase card programs in the Federal Government.
- <u>Measuring Tools</u> As OAM developed a Vision and Strategic Goals, they also developed performance measures and tools to use to determine if the goals were being accomplished. Instrumental to these efforts was the use of two different surveys.

The first survey, developed by a outside source, tested internal perceptions about the organization. OAM employees were asked to respond to a generic questionnaire about the

internal structures and processes in the organization, as well as additional questions that were unique to OAM. The latter questions, which had been developed from several planning sessions between the outside source and OAM personnel, provided a deeper view into the psyche of the organization. This internal survey, summarized by 10 categories of organizational attributes and processes, had been conducted in 1999. OAM decided to use it again in 2003.

The 2003 results, attached in Exhibit 3 (Overall Organizational Assessment for Quality Ratings), showed that OAM employee satisfaction had grown considerably in all 10 categories since 1999. The outside source, who has conducted this survey in numerous Government agencies, also gave us data on average Government ratings in these 10 areas. In each area, OAM's rating was also higher than the Government-wide average. (As of 1999, OAM's rating was lower than the Government average in half of these categories.) OAM's significant improvements were noted by our outside source, whose report stated that: "OAM has realized continuous organization-wide improvement since the first survey was administered in 1999. Organization-wide improvements were noted between 1999 and 2003 surveys in each of the ten measures employed. The OAM employees' ratings were higher than average ratings provide by employees representing other government agencies..... This is a very commendable result."

The second survey, conducted by OARM previously in 1998 and 1999, asked EPA offices and organizations to rate their degree of satisfaction with the services provided by OARM Offices, such as OAM. The results (see Exhibit 4 - OARM Customer Satisfaction Survey) showed that OAM customer satisfaction had grown from approximately 50% back in 1998 to 68% in 2002, with dissatisfaction decreasing from 21 to 12% during this time frame. OAM has clearly been heading in the right direction. They are in the process of preparing and tailoring a new customer satisfaction survey, which will be conducted with customers in late FY 2006.

A frequent customer of OAM's services recently observed - "I would like to note that we used to have real problems with contract management services, in terms of delays, bureaucratic requirements, etc.....A couple of years ago, they put a real effort into improving the process and having more of a customer service focus. It has really paid off in terms of improved service."

Other measurement tools that OAM has identified and used include: performance measures as developed in its Balanced Scorecards (see comments below); a lower turnover rate of employees (in the 12-15% rate in the late 90's, OAM has been losing approximately 9-10% of its employees per year the past 2-3 years); and a return of business that OAM has previously lost (the best example being an Agency-wide IT support contract for about \$30M per year, where the program has been using an FSS contract for the past 3-4 years. They are returning to OAM to place the follow-on contract.)

- <u>Centers of Excellence/Links to EPA Mission</u> - As of FY 2003, OAM had empowered its people, streamlined a significant portion of its contracting processes, and significantly improved its corporate image within EPA. As a logical next step, they asked themselves and their customers what they could do, as a corporate entity, to truly help EPA achieve its mission of making the world a better place in which to live. As an answer to this question, they formed "centers of excellence," which would concentrate and focus on specific contracting-related areas that would be relevant to the Agency as a whole. Two of the centers developed and implemented revolutionary contract vehicles that could be used Government-wide - (1) The Green Blanket Purchase Agreement (BPA) for office supplies, and (2) the Recycling Electronic and Asset Disposition (READ) Services contracts.

The Green BPA is an umbrella vehicle that requires EPA customers to buy recycled and/or environmentally preferable office supplies. It is the first BPA of its kind, and EPA is currently partnering with GSA to market it Government-wide. The READ Services contracts allow electronic equipment such as computer hardware to be recycled or disposed of in an environmentally safe manner. The READ Services contracts were extensively used in the recovery efforts related to Hurricane Katrina last year. Literally thousands of tons of electronic equipment were recycled or safely disposed of through these contracts. This sort of creative solutions are a direct result of OAM's new focus on strategic thinking.

The Green BPA was the 2005 winner of the prestigious White House "Closing The Circle Award" for its significant environmental contributions, and the READ Services team just received the highest Agency Award, Gold Medals, for their efforts and achievements in helping EPA accomplish its mission. The READ Services contracts also won one of the FED 100 awards for FY 2005. The FED 100 awards are competed among and given to both Federal Government and private sector projects.

- Follow-up and Re-evaluation of Vision/Goals - During FY 2004, OAM management reviewed the organization's accomplishments and successes over the past several years, and decided to reevaluate its Vision and Strategic Goals, to see if they were still relevant. As a result, and with the concurrence of the OAM workforce, OAM's Strategic Goals were modified (see Exhibit 5, OAM Vision Statement as of 2004). The original 2nd Goal, "Enhancing our corporate image," was dropped, to reflect that OAM had significantly improved its corporate image since 2002. With this enhanced image, as well as business returning to OAM that was previously lost, OAM management felt it was necessary to address the fact that the organization is now being counted on to supply effective and timely business leadership to its customers - hence, the new 2nd Goal, "Providing business leadership." The new 3rd Goal, "Optimizing business processes," recognizes that OAM needs to keep seeking ways to improve the way it does business. The new 4th Goal, "Sstrengthening our link to the Agency mission," ties into recent OAM efforts in assisting the Agency in assuming leadership in environmental-related contracting issues. (See section above on Centers of Excellence/Links to EPA Mission).

The EPA's Office of Inspector General performed an audit of OAM's organizational systems during FY 2005 (report dated 2/17/05), to determine if the organization possessed the necessary components to accomplish its mission effectively. They concluded that "OAM communicates its vision and values to employees and customers; focuses on its customer needs; and emphasizes the development of its workforce." This is a direct result of OAM's training and development of its workforce. The OIG also found that OAM needed to better articulate its performance measures to determine if its goals have been met. OAM rose to this challenge by developing balanced scorecards and associated performance measures.

During FY 2005, OAM management was trained in the Balanced Scorecard process, and they developed and implemented scorecards and accompanying performance measures at the Office and Division levels. Scorecards at the Service Center level will be developed and implemented in early FY 2007. To the extent possible, scorecard measures have been incorporated into OAM employee performance agreements.

4. Provide a timeline of the program's primary activities.

By Fiscal Years:

2001 - Establishment of OAM Corporate Board; Development of Vision Statement and Strategic Goals; Empowerment Workgroup Review and Report; Executive Coaching for Senior Managers

2002 - Start of Empowerment Initiative; development of Quality Assurance Plans for Operations Divisions; Customer Satisfaction Survey; Establishment of Recruitment Team; Purchase Card Oversight Program established

2003 - Employee Satisfaction Survey; Diversity Action Plan implemented; New Awards Program; Centers of Excellence

2004 - Revisions to Strategic Goals

2005 - Development/implementation of Balanced Scorecards; OIG Audit/Report on Organizational Systems

5. Clearly explain how the training program had a positive impact on the achievement of one or more organizational goals. Identify the objective or tangible results of the training, and how they improved the organization's performance.

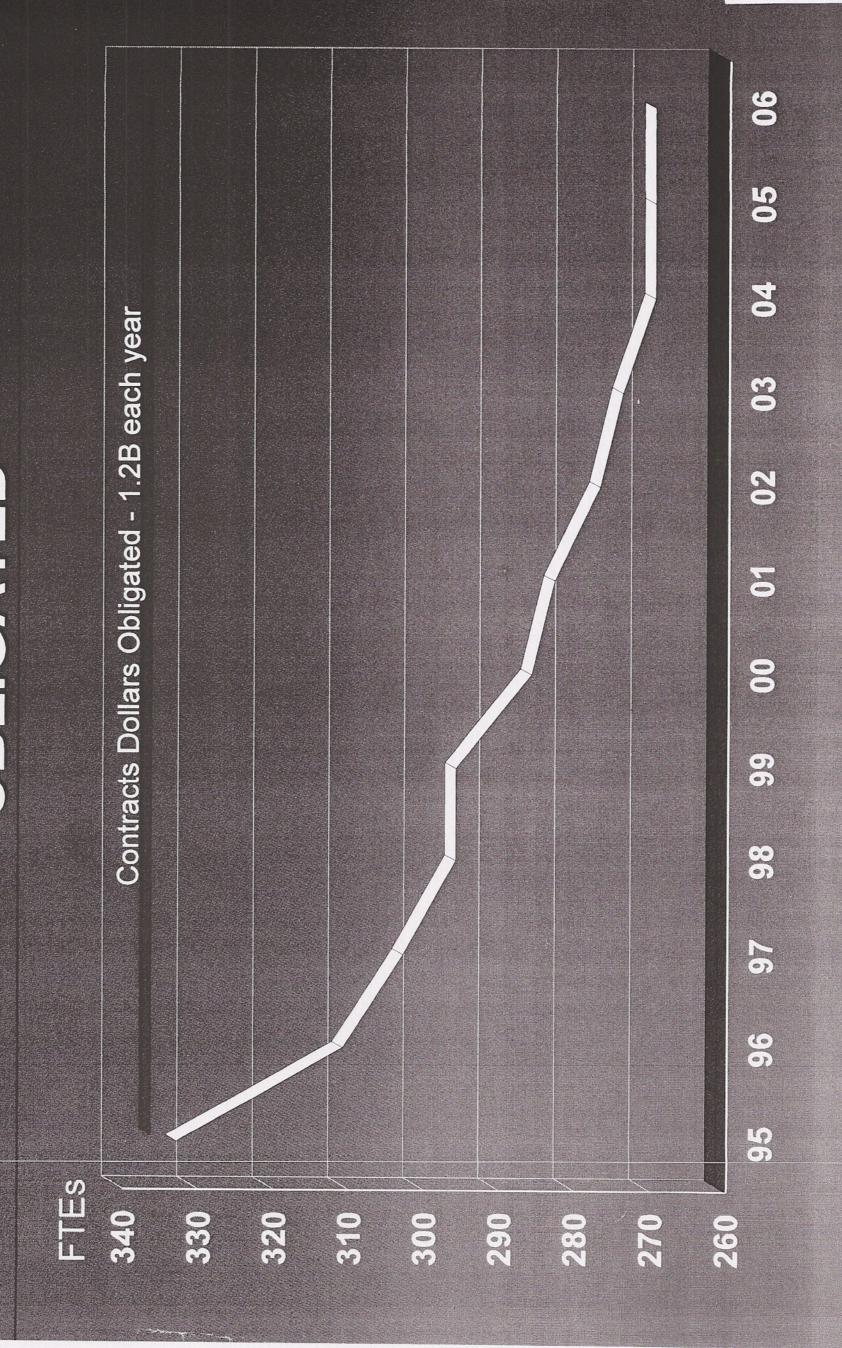
This 4 year development/training project transformed OAM into an organization that is poised to deal with change, and address whatever the future holds. Additionally, OAM's staff is equipped

to provide first-rate customer service and effective business leadership to its customers in the face of growing volume or complexity of workload, in spite of shrinking resources. The Agency's OIG in a 2005 audit report confirmed the positive organizational steps taken by OAM over the past few years. The organization has met its strategic goals through this transformation, as follows:

- (1) <u>Investing in our people</u> OAM has developed a flexible, experienced, energized, and trained workforce over the past 4-5 years. Per the last employee satisfaction survey, their satisfaction grew considerably from 1999 to 2003, and statistics show that the turnover rate has similarly fallen. These trends are continuing.
- (2) <u>Providing business leadership</u> OAM's customers' satisfaction also grew from 1998 to 2002. An revised customer survey will be conducted in 2006 to confirm that today they are still quite satisfied. OAM was losing contracting work as recently as 2000-2001, and this trend has been drastically reversed.
- (3) Optimizing business processes Through empowering OAM employees, the organization has been able to streamline and improve its contracting services, to the point that they can handle a more complex workload in spite of shrinking resources. OAM is positioned to move ahead on more new initiatives to allow the Agency to lead the Federal Government in environmental-related contracting.
- (4) <u>Strengthening our link to the Agency mission</u> As stated above, OAM has taken huge steps to assist EPA in assuming Government-wide leadership in environmental-related contracting. Examples include the Green BPA for office supplies and READ Services contracts, for recycling and/or disposing of electronic equipment.

In summary, the 4 year training/development program has transformed EPA's Office of Acquisition Management into a high performing organization whose employees are energized and capable of managing change effectively, efficiently, and timely.

HISTORICAL COMPARISON OF EPA/OAM FTES AND CONTRACT DOLLARS OBLIGATED





Acquisition Management: Vision, Values, and Strategic Goals

Vision

EPA contracting offices are the preferred business management partners for the protection of public health and the environment.

Values

Believing that Together Everyone Achieves More (TEAM).

Continuing to improve results and relationships.

Respecting our people and investing in their development.

Embracing sound progressive business management.

Strategic Goals

Strategic Goal 1

Investing in our people

Strategic Goal 2

Enhancing our corporate image

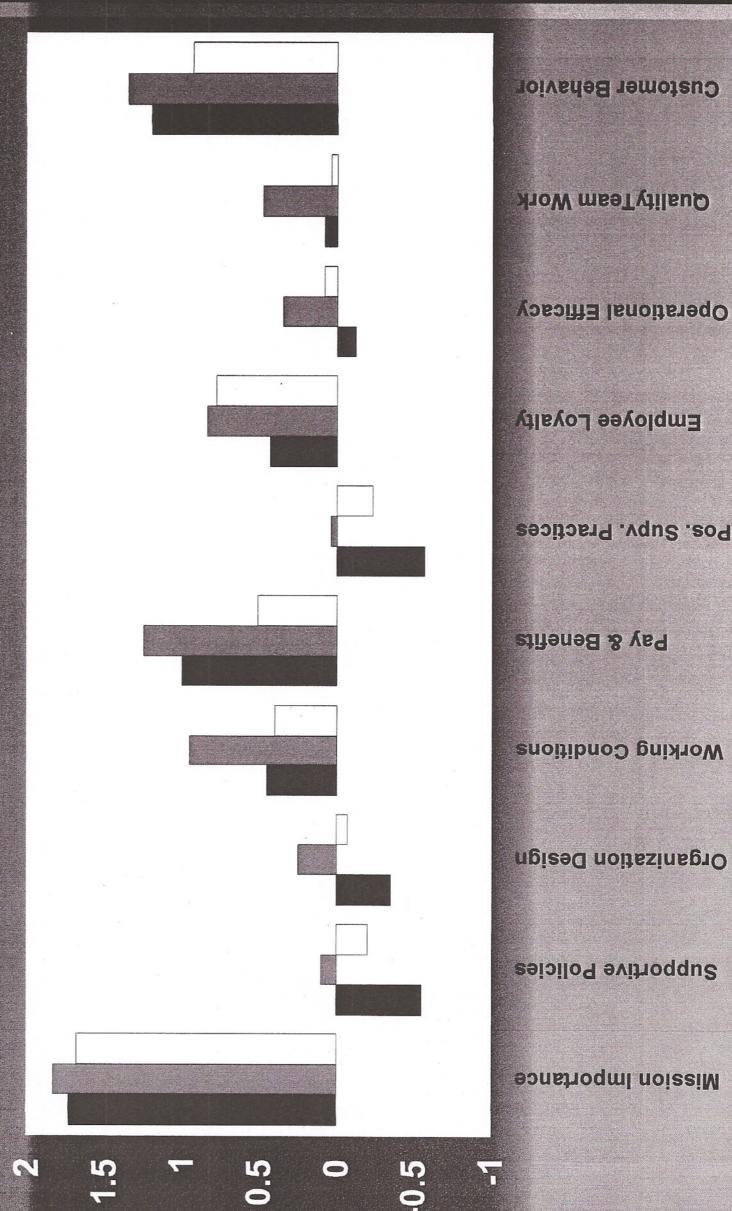
Strategic Goal 3

Investing in information technology

verall Organizational Assessment for Qua

Ratings

Annual EPA, 2003 | All Govt

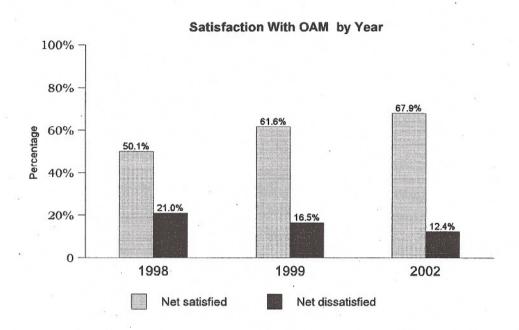


Operational Efficacy

Customer Behavior

EXHIBIT 4

OARM CUSTOMER SATISFACTION SURVEY



OAM Vision Statement



Acquisition Management: Vision, Values and Strategic Goals

Vision

EPA contracting offices are the preferred business management partners for the protection of public health and the environment.

Values

Believing that Together Everyone Achieves More (TEAM).

Continuing to improve results and relationships.

Respecting our people and investing in their development.

Embracing sound progressive business management.

Strategic Goals

Strategic Goal 1

Investing in our people.

Strategic Goal 2

Providing business leadership.

Strategic Goal 3

Optimizing business processes.

Strategic Goal 4

Strengthening our link to the Agency mission.